

the substance of what we can do to serve the people here. It was a very satisfactory talk.

NOTE: The President spoke at 10:56 a.m. in the Oval Office at the White House. The President met with Prime Minister Jean-Claude Juncker of Luxembourg in his capacity as President of the European Council and President Jacques Santer of the European Commission. In his remarks, he referred to Prime Minister Binyamin Netanyahu of Israel and Chairman Yasser Arafat of the Palestinian Authority. A tape was not available for verification of the content of these remarks.

**Remarks Announcing Appointments to the National Bipartisan Commission on the Future of Medicare and an Exchange With Reporters**

*December 5, 1997*

**The President.** Today I want to discuss our continued economic progress and important steps we must take to continue it. For the last 5 years we have pursued a comprehensive economic strategy to spur growth, to increase income, to create jobs and keep the American dream alive and well in a new century. Today we see the latest evidence that our economy is growing steady and strong, that the American dream is, in fact, alive and well.

Last month the economy created 400,000 new jobs. Unemployment is now 4.6 percent, the lowest in a quarter century. There were more new manufacturing jobs in the past year than in any year in three decades. Inflation remains low and appears to be poised to continue at its low rate. And after lagging for years, wages finally are rising again. Our economy is the strongest in a generation.

This continuing prosperity is due to the ingenuity and the enterprise and the hard work of the American people who are creating the economy of the future. It is also the result of our economic strategy of cutting the deficit, investing in education and our future, and expanding our exports through trade agreements. This year's balanced budget law both honors our values and continues that progress. It extends opportunity to our children with the most significant new invest-

ment in health care in a generation and in education in a generation. It offers tax cuts for college and provides for health insurance for up to 5 million children. It honors our duty to our parents by extending the lifetime of the Medicare Trust Fund until 2010.

Now we have more to do to strengthen Medicare while preserving its commitment to older Americans. Medicare is at the core of our historic social compact, our recognition of the duty we owe to one another. It has been one of the great achievements of this century, and now we have an obligation to strengthen it for the next century, to ensure that it is as strong for our children as it has been for our parents, and to ensure that the baby boomers have access to quality affordable health care when we retire.

The Medicare reforms I signed into law this year were the product of strong cooperation among Democrats and Republicans, the President and the Congress. The balanced budget law establishes also a commission to continue this bipartisan progress and draft comprehensive reform.

Today I am pleased to announce my appointees to the commission. They include Stuart Altman, a highly respected health care expert who has worked for Presidents of both parties; Dr. Laura Tyson, who served our Nation well as Chair of the National Economic Council and Chair of the Council of Economic Advisers in our administration; Bruce Vladeck, who directed the Medicare program for 4 years as Administrator of the Health Care Financing Agency; and, Anthony Watson, the CEO of a major progressive managed care plan in New York that has pioneered support for fair treatment of patients while providing quality care.

These are distinguished, respected, highly skilled experts. They understand health care and share our unshakable commitment to the values represented by Medicare. I expect them to work as strong partners with the other commissioners, and I look forward to their proposals to keep Medicare at the core of the American dream in the new century.

Thank you.

**Q.** Will you recess-appoint Bill Lann Lee next week?

**Q.** [*Inaudible*]—economy is so great—  
**The President.** One at a time.

### **Taxes**

**Q.** Are you really thinking of a tax cut?

**The President.** No, I don't believe that's a fair interpretation of what I said yesterday in my comments. What I said was—I was asked about proposals for tax reform, and what I said was that I thought any tax reform that was adopted had to be fair, good for the economy, not burden the deficit, and make the system simpler. That was the context in which that discussion occurred.

Then there was a separate discussion about the discussion that is going around town here about what ought to be done with the surplus. Some people say we should have a tax cut with a surplus; some people say we should spend more money with the surplus; some people say we should apply it to the debt. What I tried to point out yesterday is there is not a surplus. The people who say there is a surplus are talking about the difference in the projected line of deficit to 2002 when we adopted the balanced budget law and I signed it and the projected line now.

Now, no doubt this news today is good news. It augers for stronger growth in this quarter, and it may well mean that we will have a better prediction in terms of the size of the deficit and eliminating it altogether now than we did at the time the balanced budget law was passed, at the time of the mid-session review last August. The only point I tried to make is all those are still estimates. And it's good to have a good estimate, but we don't want to spend money we don't yet have.

The thing that has driven this economic recovery is getting interest rates down, getting investment up, creating a framework in which the American economy could grow, and bringing down the deficit from \$300 billion a year to \$23 billion a year is a big part of that. So before we make any unduly rash decisions about the future, let's make sure that we're taking care of the economy because that's—the best thing you can do for Americans' incomes is to give them a strong economy.

### **Assistant Attorney General Nominee**

**Q.** Will you recess-appoint Bill Lann Lee next week?

**Q.** Are you looking at a flat tax, Mr. President?

**Q.** Mr. President, are you concerned—

**The President.** I can't hear all of you.

**Q.** Will you recess-appoint Bill Lann Lee next week?

**Q.** Mr. President, are you concerned that the Southeast Asia financial crisis will affect the U.S. economy?

**The President.** I'll answer this, but let me answer this one first. What I would like to say today, and all I am going to say today, is Bill Lann Lee's personal story, his work experience, his integrity, and his fitness for this job are absolutely beyond question. He should not be denied the job because he disagrees with the Republicans in the Senate on whether affirmative action is or is not good policy. The only thing he's required to do is to enforce the law as the Supreme Court hands it down or as the Congress passes it, and to recuse in the case of any kind of personal conflict, which he said he would do in the case of the California law, which is now moot.

So I believe—I will say again—he is entitled to a vote. The Senators ought to vote on him. No one has put forward a credible reason for why this man should not be appointed. Surely the fact that he agrees with the President who wishes to appoint him on the question of what kind of affirmative action programs we should or shouldn't have, surely that should not disqualify him for this position. That is the point I have made. I still think that he ought to be able to serve.

Yes, now go ahead.

### **Asian Economies**

**Q.** Mr. President, are you concerned that the Southeast Asia financial blowout, which seems to be ongoing still, is going to eat into these economic growth figures that you revealed today?

**The President.** Well, first of all, I think we all have to acknowledge that our economies are interrelated. About a third of our growth over the last 5 years has been due to our ability to sell more American products around the world—about a third. And anything which undermines our ability to continue to sell more American products around the world—any action taken abroad or at

home is not good for our future growth prospects.

Now, that's one of the reasons that I have moved so aggressively to work with our allies in Asia and in Europe and with the International Monetary Fund and the World Bank to try to stabilize the situation.

On the other hand, let me remind you that there is enormous productive power in these Asian economies. They have some financial difficulties now, which have to be addressed in a disciplined way. If you see the rapid recovery that Mexico had within the space of 2 years, you see that these strong Asian economies can do exactly the same thing in perhaps less time if they face their challenges directly. So I think that the appropriate response is to do what was done in Indonesia, to do what was done in South Korea.

The Japanese statements of the last few days are heartening about what they intend to do with their own financial institutions and protecting the depositors. All this is basically good news. So they've hit a rough patch in their financial institutions and markets, but underlying productivity and potential in Asia is enormous. Yes, I'm concerned about its impact on Americans, and that's one of the reasons I've been so actively involved in trying to deal with it, but I don't think we should become pessimistic. I think we should just be determined to work through these things as quickly as possible.

**Q.** Mr. President—

**Q.** Mr. President—

**The President.** One at a time, one at a time. Go ahead.

#### **Larry Lawrence**

**Q.** Mr. President, should Larry Lawrence have been buried in Arlington National Cemetery?

**The President.** Well, that depends on what the facts are. The questions which have been raised are serious, and I have asked the State Department to conduct an inquiry to find out whether, in fact, the basis of his eligibility is true or not. That's a fact question. And let's wait until we see what the facts are, and then we can all draw our conclusions from that. But the questions themselves are serious. I think the other question you might ask is, were the people involved in the deci-

sion in any way at fault? I don't think they were. They acted on the facts as they knew them. The original inquiry into the background check was done—for the Ambassador—was done by the State Department. I've asked them, therefore, to follow up, try to find out the facts. When we get the facts, then I think we can make our judgments on it.

#### **Haiti**

**Q.** Have you made an indefinite commitment to keep American troops in Haiti?

**The President.** Have I made an indefinite commitment? No. But I have made a deficit commitment to continue to be involved there in ways that I think are appropriate. Keep in mind, we have a very modest troop presence there now, and we are participating as a minority partner, if you will, in the civilian police. With the withdrawal of the United Nations forces, the primary work of maintaining security has shifted to the international police force working with the Haitian police. Our military presence there—it largely involves a lot of public works. We are doing some public works projects there which we've been asked to continue and to finish, try to accelerate. And of course, I think it does contribute to the stability of the area. But our presence there cannot be indefinite, and it will not be indefinite. But I think that we should have these withdrawals in a staged fashion, and we should know what the next stage is before we take any precipitous action. The American people should know it's not a military operation.

Go ahead.

#### **Situation in Iraq**

**Q.** Mr. President, Saddam Hussein seems not to be satisfied with the way—this arrangement of the U.N. Security Council. What do you feel and what do you think can be done about it?

**The President.** Well, I certainly think he's exposed his motives and his real concerns to the entire world today. You know, it wasn't very long ago—how many days ago was it that he had this symbolic funeral for children, blaming the world community in general and the United States in particular for the death of Iraqi children.

Let me remind you, when we got the United Nations resolution passed, we and the others who supported it—986—to allow him to sell oil to get food and medicine for his people, even while he was continuing to resist getting rid of his entire chemical and biological weapons arsenal, he delayed the full implementation of that for a year and a half. He is in no position to point the finger at anyone else in the world for the suffering of his own people. And once again today, he has proved that he is responsible for the suffering of his own people.

The rest of us are more than happy to let him sell oil in amounts necessary to generate the cash to alleviate the human suffering of the people of Iraq. That's what 986 was all about. This is not about 986. This is about some other way that he can manipulate the feelings of people beyond the borders of Iraq, even if he has to let innocent children die to do it, so he can continue to pursue a weapons of mass destruction program. And it's wrong, and the world community should not let him get away with it.

Thank you.

NOTE: The President spoke at 2:25 p.m. on the South Lawn at the White House. In his remarks, he referred to Bill Lann Lee, nominee for Assistant Attorney General; the late U.S. Ambassador to Switzerland, M. Larry Lawrence; and President Saddam Hussein of Iraq.

### **Statement on the National Economy** *December 5, 1997*

The November employment report shows the economy is the strongest it has been in a generation, with the lowest unemployment rate in a quarter century, nearly 14 million new jobs in the last 5 years, and real wages rising again. Today's good news—strong job creation and higher incomes—shows that the American economy continues to work for working families. It is clear that our three-part economic strategy—reducing the deficit, investing in people, and opening foreign markets to American goods—is the right strategy for America.

Most importantly, this economic prosperity is helping all Americans; for example, the unemployment rate among Hispanics fell to

one of its lowest levels ever recorded. And over the past year we had more new manufacturing jobs than during any other year in nearly three decades. While the economy is growing steady and strong, we still have more to do to keep our Nation on the right track and ensure that all Americans have the opportunity to benefit from this growth.

### **Proclamation 7058—National Pearl Harbor Remembrance Day, 1997** *December 5, 1997*

*By the President of the United States  
of America*

#### **A Proclamation**

December 7, 1941, marked a turning point in the history of our Nation, a defining moment that would alter the lives of millions of Americans and change forever America's destiny. On that quiet Sunday morning, the forces of Imperial Japan attacked the U.S. naval base at Pearl Harbor in Hawaii, killing or injuring more than 3,000 Americans, crippling our Pacific Fleet, and critically damaging our airpower. In that moment of supreme crisis, the essential greatness at the core of the American spirit was revealed. Our response was not despair, but determination. Inspired by the leadership of President Franklin Roosevelt and buoyed by his faith that we ultimately would prevail, America went to war.

Looking back across the years, we rightly are still awed by what the American people accomplished during World War II. United in spirit and purpose after the attack on Pearl Harbor, millions of men and women joined the Armed Forces; by war's end, some 15 million had served. They fought fiercely and with uncommon courage in battlefields across the globe. In the Pacific, step by bloody and painstaking step, they took back the islands captured by Imperial Japanese forces in the days after Pearl Harbor. The names of those battles still resonate through the years: Coral Sea, Midway, Guadalcanal, Iwo Jima. On the western front, facing the daunting power of the Nazi war machine, Americans and our Allies struggled and died to liberate Europe, fighting in the stormy North Atlantic, in the searing heat of North